

Message Text

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E.O. 11652: N/A
TAGS: EFIN, COMECON
SUBJ: IIB INVESTMENT HEAVILY CONCENTRATED ON FUELS AND ENERGY

1. EKONOMICHESKAYA GAZETA NO. 20 REPORT ON CEMA INTERNATIONAL BANK (IIB) SHOWS THAT OF MAJOR PROJECTS (VALUED AT MORE THAN SEVEN BILLION TRANSFERABLE RUBLES) WHICH RECEIVED IIB CREDITS IN PERIOD 1971-1976, 81 PERCENT WENT TO PROJECTS IN AREA OF FUEL AND ENRGY INDUSTRY. 9.4 PERCENT WENT TO MACHINE-BUILDING, 4.9 PERCENT TO METALLURGY, 1.4 PERCENT TO CHEMICAL AND 3.3 PERCENT TO LIGHT, FOOD AND OHTER INDUSTRIES. BY BEGINNING OF 1977, 48 PROJECTS HAD RECEIVED IIB CREDITS, WITH 27 OF THEM ALREADY OPERATIONAL.

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2. ACCORDING TO REPORT, IIB GRANTED CREDITS IN 1976 FOR EIGHT PROJECTS IN BULGARIA, HUNGARY, GDR AND POLAND. PROJECTS NAMED ARE:

-- CONSTRUCTION OF BULGARIAN HIGHWAYS SOFIA-VARNA, SOVIA-BURGAS, VARNA-BURGAS.

-- MODERNIZATION OF HUNGARIAN RAILROAD LINE BUDAPEST-KELEBIA.

--RECONSTRUCTION AND ENLARGEMENT OF AGRICULTURAL MACHINERY
COMBINE "FORTSCHRITT" IN NEUSTADT AND OF "UMFORMTECHNIK"
FORGE- PRESS COMBINE IN ERFURT, BOTH IN GDR.

-- CONSTRUCTION BY POLAND OF PETROLEUM INDUSTRY PROJECTS NEAR
POLOTSK, USSR.

-- INCREASED PRODUCTION CAPACITY FOR DRYING AND BRIQUETTING
EQUIPMENT AT "AGROMET-ROFAMA" AGRICULTURAL MACHINERY FACTORY
IN POLAND.

-- CONSTRUCTION OF SHIP VARNISH-AND-PAIN FACTORY AT GDYNIA-
KATSK IN POLAND.

-- ENLARGEMENT OF BRAKE-EQUIPMENT FACTORY "POL'MO" IN PRASZKA,
POLAND.

3. REPORT ALSO STATES THAT ORENBURG GAS PIPELINE PROJECT
CONTINUED TO RECEIVE FINANCING FROM IIB. AS WELL AS FROM
NATIONAL AND AUTHORIZED BANKS IN MEMBER COUNTRIES. TOTAL
SUM OF IIB CREDITS EXTENDED IN 1976 WAS 676.2 MILLION TR.

4. INTERESTING FIGURES FROM IIB 1976 BALANCE SHEET ARE "DEBTS
ON CREDITS GRANTED" (1975 FIGURE IN PARENTHESES) OF
1,157,442,482 TR (554,488,179); AND "BORROWINGS AND LOANS
RECEIVED" OF 1,060,922,348 TR (495,529,996). THUS IIB MORE
THAN DOUBLED ITS BORROWING AND LOAN ACTIVITIES IN 1976.
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5. COMMENT: DESPITE FACT THAT MUCH OF REPORT DEVOTED TO
IIB ACTIVITIES IN PROMOTING PROJECTS IN MEMBER-COUNTRIES
OTHER THAN USSR, IT APPEARS THAT LARGE PART OF IIB LOANS
(AND BORROWINGS) IN 1976 WERE RELATED TO ORENBURG GAS PIPELINE.
AND ALTHOUGH REPORT DOES NOT GIVE ANY FIGURE FOR EITHER HARD-
CURRENCY BORROWINGS OR LOANS, WE ASSUME THAT SUCH BORROWINGS
AND LOANS FOR ORENBURG WERE SIGNIFICANT PART OF TOTAL IN
1976. WHEREAS EKONOMICHESKAYA GAZETA ATTEMPTS TO MAKE A CASE
FOR THE IMPORTANCE OF IIB LOANS FOR PROJECTS IN OTHER MEMBER
COUNTRIES, ORENBURG STILL SEEMS TO BE ONLY LARGE PROJECT
WHERE IIB FINANCING PLAYS SIGNIFICANT ROLE.
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